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America
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Congress of the United States
Washington, DC 20510

May 21, 2015

The Honorable Tom Wheeler
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Chairman Wheeler:

We write you regarding the importance of the Federal Communications Commission's efforts to modernize the universal service fund for making broadband communications services available to all New Mexicans.

Restoring American leadership in broadband can help create opportunities for job growth, education, and healthcare. Rural Americans, however, are 13 times more likely to lack access to broadband than those in urban areas. In New Mexico, seventy-seven percent of New Mexicans living in rural areas lack access to fast broadband access to fixed broadband speeds of 25 megabits per second. Rural telephone cooperatives' continued commitment to serve rural residents of New Mexico is essential to tackling this appalling digital divide.

While rate of return carriers struggle to bring faster broadband speeds to their customers, the FCC has yet to finalize a funding mechanism to support such broadband service in high-cost rural areas. Under one proposed Connect American Fund II funding model, we understand that New Mexico's rate of return carriers could face a reduction of more than \$21 million in universal service support. We therefore urge the FCC to move forward to modernize universal service funding mechanisms for the broadband era in a manner that offers reasonable certainty for rural carriers to make long term investments in high cost areas.

As you work to modernize universal service, we also ask that you consider targeted proposals from rural carriers to better support broadband deployment in the short term. In particular, we ask you to consider allowing universal service support for broadband service to rural households that choose to not purchase other bundled services.

Thank you for your consideration within your rules and regulations. We look forward to continuing to work closely with you to bring greater broadband access to rural communities in New Mexico and across America.

Sincerely,



Tom Udall
United States Senator



Stevan Pearce
United States Representative



Martin Heinrich
United States Senator



Ben Ray Luján
United States Representative



Michelle Lujan Grisham
United States Representative



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

July 27, 2015

The Honorable Ben Ray Luján
U.S. House of Representatives
2446 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Luján:

Thank you for your letter urging the Commission to reform our Universal Service Fund ("USF") mechanisms to support broadband deployment in New Mexico and more broadly rural America. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. I share your goal of ensuring that the universal service program better reflects today's marketplace and technology in areas served by rate-of-return carriers.

As I explained at the Senate Commerce Committee's FCC Oversight Hearing earlier this year, resolving this issue will require all the stakeholders to work together and make hard decisions to reach consensus on the best path forward. Everybody agrees that the goal of any changes should be supporting broadband in rural areas. With that in mind, I directed my staff and staff members from the Commission's Wireline Bureau to meet with stakeholders in the rate-of-return community. We have encouraged all stakeholders in the rate-of-return community to work together to develop an approach that both has the widespread support of the rate-of-return community and meets the principles unanimously outlined by the Commission in our April 2014 *Further Notice of Proposed Rulemaking*.

I share your concern for New Mexicans living in rural communities without access to broadband. I also recognize the substantial time, effort, and resources that have been invested in this effort to date by stakeholders in the rate-of-return community. I am committed to finding a path forward by the end of the year, but it is important to have a solution – or set of solutions – that creates the right incentives to deploy modern networks throughout rural America, meets the Commission's overarching policy objectives, and has the widespread support of the rate-of-return carrier community.

To that end, it is encouraging that the stakeholders appear to have come to a consensus on the notion of a "two-path" approach to reforming the program that is comprised of both a model-based path and updates to the existing mechanisms, but work remains with respect to the details of how we would update those existing support mechanisms. We will continue to engage with stakeholders, and we expect them to continue to engage with us, to ensure that any reform of these universal service programs successfully delivers on our shared goal of more robust broadband throughout rural America.

Page 2—The Honorable Ben Ray Luján

I look forward to working with you to make continued progress on the deployment of broadband to consumers throughout rural areas a reality.

Sincerely,

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Tom Wheeler



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July 27, 2015

The Honorable Steve Pearce
U.S. House of Representatives
2432 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Pearce:

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OFFICE OF
THE CHAIRMAN

July 27, 2015

The Honorable Tom Udall
United States Senate
110 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Udall:

Thank you for your letter urging the Commission to reform our Universal Service Fund ("USF") mechanisms to support broadband deployment in New Mexico and more broadly rural America. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. I share your goal of ensuring that the universal service program better reflects today's marketplace and technology in areas served by rate-of-return carriers.

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OFFICE OF
THE CHAIRMAN

July 27, 2015

The Honorable Martin Heinrich
United States Senate
702 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Heinrich:

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WASHINGTON

OFFICE OF
THE CHAIRMAN

July 27, 2015

The Honorable Michelle Luján Grisham
U.S. House of Representatives
214 Cannon House Office Building
Washington, D.C. 20515

Dear Congresswoman Grisham:

Thank you for your letter urging the Commission to reform our Universal Service Fund ("USF") mechanisms to support broadband deployment in New Mexico and more broadly rural America. The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the 21st century economy. I share your goal of ensuring that the universal service program better reflects today's marketplace and technology in areas served by rate-of-return carriers.

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